

# **Attachment 25**

Audio Transcription

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SEC v. Badian

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Page 2

1 Start: 3/26/2001 08:37:13 AM, Stop: 3/26/2001 09:25:04 AM,

2      Logger: 338601, Channel: 34, Session ID: 55246

Page 2

1 Start: 3/26/2001 08:37:13 AM, Stop: 3/26/2001 09:25:04 AM,  
2 Logger: 338601, Channel: 34, Session ID: 55246

[REDACTED]

2 (Pages 2 to 5)



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- 1 I guess, if something happens, okay?  
2 Jeffrey Graham: BYND I'll keep my eye on.  
3 UM: Thank you, sir.  
4 Jeffrey Graham: Okay.  
5 UM: Bye.  
6 Jeffrey Graham: Bye.

[illegible][illegible][illegible][illegible]

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<p>1 Start: 3/26/2001 09:05:06 AM, Stop: 3/26/2001 09:10:07 AM,</p> <p>2 Logger: 338601, Channel: 35, Session ID: 55505</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p>	<p>1 upset?</p> <p>2 Moses Drillman: Well, the problem has been, is -</p> <p>3 - is that, for example, in Amro's case --</p> <p>4 Ari: Yeah.</p> <p>5 Moses Drillman: -- there have been shorts for 2</p> <p>6 months.</p> <p>7 Ari: But Amro's not my problem.</p> <p>8 Moses Drillman: I understand that, but there are</p> <p>9 shorts in your accounts that have been for a very long</p> <p>10 time, too, and I just need to have an explanation.</p> <p>11 Ari: What, do you mean about RCM, or -- ?</p> <p>12 Moses Drillman: RCM.</p> <p>13 Ari: Isn't that the point of RCM?</p> <p>14 Moses Drillman: The point is -- yes. But the</p> <p>15 problem has been is that -- what happens is, is that</p> <p>16 they're first sold in RSI, and then they go into RCM. So,</p> <p>17 what happens is, is that -- that avoids, usually, the</p> <p>18 problem of having to, having to cover or holding the short,</p> <p>19 that's not the problem. The problem is, is that the sales</p> <p>20 are still recorded as sales.</p> <p>21 Ari: Why not just do it directly into --</p> <p>22 Moses Drillman: So -- we're going to work on</p>
Page 51	Page 53
<p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [Phone Dialing]</p> <p>16 UM: Thank you for calling LH Financial, if you</p> <p>17 know your --</p> <p>18 [Phone Dialing]</p> <p>19 Ari: Yeah.</p> <p>20 Moses Drillman: Okay, I have three major shorts</p> <p>21 --</p> <p>22 Ari: Wait, wait -- what's the major -- why is he</p>	<p>1 that. The problem is, is that when you do it with RCM,</p> <p>2 you're limited as to your resources as who you can do it</p> <p>3 with.</p> <p>4 Ari: I was going to say -- is this a legal</p> <p>5 problem? Or -- ?</p> <p>6 Moses Drillman: No, it's not -- it's not a legal</p> <p>7 problem right now.</p> <p>8 I can't talk to him now, I'm on the line with --</p> <p>9 tell him I'm on the line with Ari.</p> <p>10 Ari: So, what's the issue?</p> <p>11 Moses Drillman: Okay, so here's the thing. I've</p> <p>12 got three major shorts; here.</p> <p>13 Ari: Okay, tell me what they are.</p> <p>14 Moses Drillman: Henley Health Care. What's the</p> <p>15 situation and what's the story? --</p> <p>16 Ari: Well, how many shares do you have on them?</p> <p>17 Moses Drillman: I've got 193 in Esquire, and --</p> <p>18 Ari: [Unintelligible] 300,000 --</p> <p>19 Moses Drillman: And 222 in -- no, we're talking</p> <p>20 about almost --</p> <p>21 Ari: Okay, that situation --</p> <p>22 Moses Drillman: -- four hundred.</p>

14 (Pages 50 to 53)

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Page 54	Page 56
<p>1 Ari: That's not a situation that's not going 2 effective any time soon. 3 Moses Drillman: What's the problem, there? 4 Ari: There's no problem, we just ran out of auth 5 -- we ran out of registered shares, the company's on the 6 verge of bankruptcy -- 7 Moses Drillman: But you were allowed to sell. 8 Ari: When we were allowed -- 9 Moses Drillman: Were you allowed to sell? 10 Ari: In what sense? 11 Moses Drillman: In the sense where -- was this 12 something that you were -- it was a, you've converted, and 13 they don't have enough shares, or -- ? 14 Ari: Oh, no. We have the shares, they're just 15 restricted. They don't have -- we had a bunch of 16 registered shares, we oversold our registered shares -- 17 Moses Drillman: Right. 18 Ari: -- which we could, because we sold this at 19 50 and the stock when up to 7 cents. 20 Moses Drillman: Right. 21 Ari: At worst, we could always buy it back. 22 Moses Drillman: No, I understand that, but just</p>	<p>1 Web Catalyst, WBCL? 2 Ari: Same story, basically. But that one, 3 there's a registration -- we have restricted stock against 4 us. 5 Moses Drillman: Okay. 6 Ari: As a matter of fact, we could probably sell 7 some of the ones [unintelligible] if I work on that, but be 8 that as it may -- pretty slow, that's not a long time, 9 they'll either be registered -- 10 Moses Drillman: Okay, and WLGS that we just 11 started selling? 12 Ari: That's in a couple -- that's -- this week I 13 may even have stock on that one. 14 Moses Drillman: Okay, so then, you're pretty 15 clean on this stuff. 16 Ari: We're clean, yeah, but what -- and ITEC 17 [unintelligible]? 18 Moses Drillman: Yeah, it's the -- ITEC is the 19 big issue. 20 Ari: ITEC went -- four weeks from now. Well, 21 it's the same thing, [Unintelligible] we had a situation 22 where we had stock at 4 cents, less than 4 cents, and we</p>
Page 55	Page 57
<p>1 tell me the story -- I mean, if I give Sandy a good story, 2 why we should hold this short, it's fine. 3 Ari: Well, the story is this -- the story is 4 that we had a bunch of shares, and we converted them -- 5 they converted our whole position at the time. 6 Moses Drillman: Right. 7 Ari: We converted it, and we sold whatever, then 8 we were stuck with, like, the under -- in other words, the 9 stock went down, so there weren't enough registered shares 10 in the registration. 11 Moses Drillman: So, you're waiting for more 12 registered shares? 13 Ari: Either that or the company's going to go 14 under, one of those two things -- 15 Moses Drillman: Okay, all right. 16 Ari: -- going to happen. But it could take a 17 couple of -- 18 Moses Drillman: Did you make a conversion on 19 that? 20 Ari: We have restricted stock. 21 Moses Drillman: Okay, you do have restricted 22 stock, okay.</p>	<p>1 were hedging it, I mean -- 2 Moses Drillman: Okay. So, in that particular 3 care we were -- 4 Ari: But why is he upset? 5 Moses Drillman: Because he's not in -- he hasn't 6 been involved, and suddenly he gets an inquiry from the 7 NSCC -- not the SEC -- the NSCC, about DTC, about stock not 8 being -- 9 Ari: That's SEC. 10 Moses Drillman: That's DTC, that the stock's not 11 being delivered. 12 Ari: Yeah? 13 Moses Drillman: And, when you hear that, you 14 know, that's what happens. 15 Ari: But then [unintelligible] -- can there be a 16 legal problem with this? 17 Moses Drillman: No. 18 Ari: Okay. 19 Moses Drillman: No. 20 Ari: As long as you guys are okay with that. 21 Moses Drillman: No, we're -- they were fine, 22 this is more internal right now.</p>

15 (Pages 54 to 57)

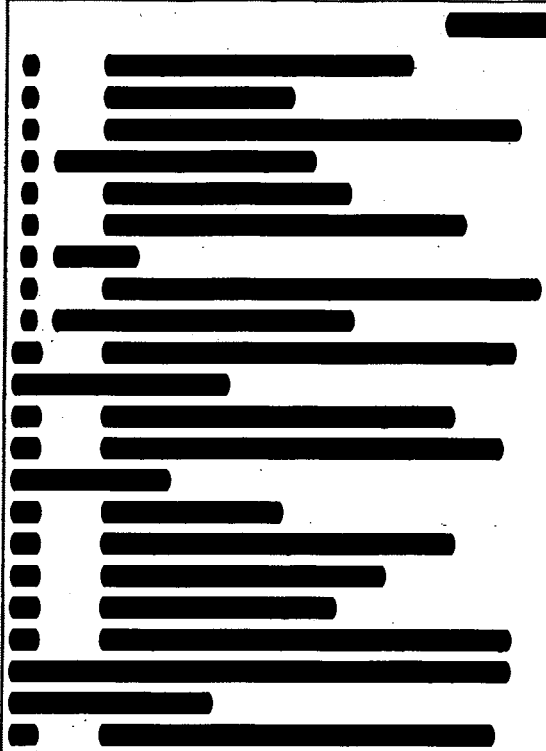
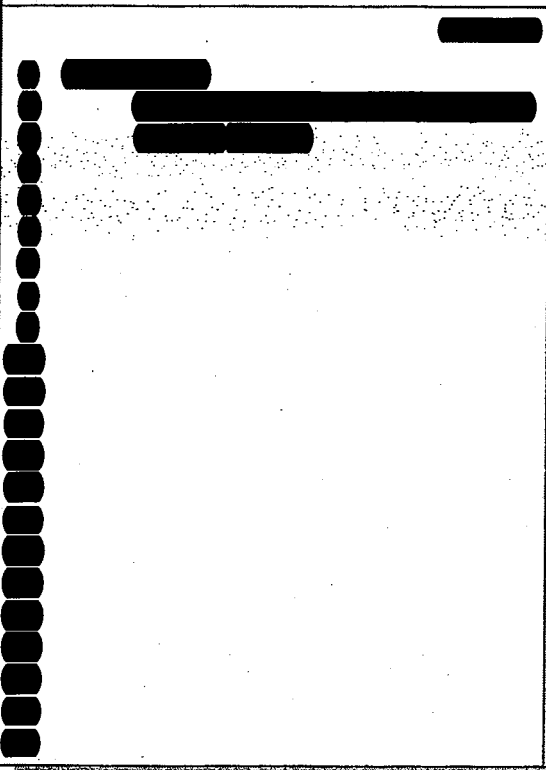
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	<p style="text-align: right;">Page 84</p> <p>1 Start: 3/26/2001 09:35:45 AM, Stop: 3/26/2001 09:36:26 AM,</p> <p>2 Logger: 338601, Channel: 35, Session ID: 55514</p> <p>3 [Phone Dialing]</p> <p>4 UF: Please hold on while I try that extension --</p> <p>5 Ari: Hello?</p> <p>6 Moses Drillman: Hi, how are you?</p> <p>7 Ari: Hi, yeah.</p> <p>8 Moses Drillman: Listen I just finished the</p> <p>9 meeting.</p> <p>10 Ari: Yeah.</p> <p>11 Moses Drillman: I just wanted to go over, you</p> <p>12 know, every week I'm going to go over with you, the shorts</p> <p>13 Ari: Just hold on -- hold on for one minute?</p> <p>14 Moses Drillman: Yeah.</p> <p>15 Ari: Hello?</p> <p>16 Moses Drillman: Hi.</p> <p>17 Ari: Yeah.</p> <p>18 Moses Drillman: And you'll tell me, if it's</p> <p>19 worth keeping in, I'll keep it for you. If not, not, you</p> <p>20 know what I mean?</p> <p>21 Ari: That's fine, no problem.</p> <p>22 Moses Drillman: All right?</p>
	<p style="text-align: right;">Page 85</p> <p>1 Ari: Okay.</p> <p>2 Moses Drillman: Okay, bye.</p> <p>3 Ari: Bye. Yeah.</p> <p>4 [End of Audio]</p> <p>5</p>

22 (Pages 82 to 85)





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<p>1 UM: Two thousand Juniper you sold at 53 spot 2 402. 3 Jeffrey Graham: Thanks. 4 Hello? 5 UM: Sold 2,000 loose at 1199. 6 Jeffrey Graham: Thanks. 7 It's got Frankel on the bid on this SDNA. You 8 want me to just put it in here? 9 UM: Makes more sense. 10 Frank: Hello? 11 Jeffrey Graham: Hey Frank? 12 Frank: Uh huh? 13 Jeffrey Graham: SDNA -- Sam, David, Nancy, 14 Apple? 15 Frank: Yep. 16 Jeffrey Graham: Buyer of 20,000, with a \$1 top. 17 Frank: Oh, you're doing it here? 18 Jeffrey Graham: Yeah. 19 Frank: You're buying SDNA, you want to buy 20 20,000 with a \$1 top? 21 Jeffrey Graham: Yep. 22 Frank: Okay.</p>	<p>1 Jeffrey Graham: Hey, Frank? 2 Frank: Uh huh. 3 Jeffrey Graham: I'm at Sedona? 4 Frank: Uh huh. 5 Jeffrey Graham: Can you use buck and three teeny 6 tops? 7 Frank: A buck and three teeny tops. Okay. 8 Jeffrey Graham: On the balance? 9 Frank: Yep. 10 Jeffrey Graham: Thank you. Or -- 11 Frank: The balances, we didn't get anything. 12 Jeffrey Graham: Nothing? 13 Frank: That balance is everything we have. Yep. 14 Jeffrey Graham: Okay, then use a buck and a 15 quarter top on it. 16 Frank: Okay. 17 Jeffrey Graham: Thanks. 18 [REDACTED] 19 [REDACTED] 20 [REDACTED] 21 [REDACTED] 22 [REDACTED]</p>
Page 103	
<p>1 Jeffrey Graham: Thanks. 2 There's, like, nothing there. And Frankel's 3 there bidding. I don't understand what he does -- why he 4 does the things he does. He, you know, gives the same 5 instructions to a couple of different people. 6 So, am I putting it on Unger's ticket? 7 [Phone Ringing] 8 Jeffrey Graham: This is Danny. 9 Andreas Badian: It's 10:00, where's Redi, 10 where's E-Trade? 11 Jeffrey Graham: I did it at 10:00. We're 12 bidding on Redi. Frankel's above us now, though. 13 Andreas Badian: Yep, you have to compete with 14 him, I want to drive it up. 15 Jeffrey Graham: Okay, so give me a top. 16 Andreas Badian: A buck and a quarter. 17 Jeffrey Graham: Okay. 18 Andreas Badian: Bye. 19 Jeffrey Graham: Bye. 20 Is this -- I don't -- this is like, buying it, 21 and he says, no -- 22 Frank: [Unintelligible]?</p>	<p>1 [REDACTED] 2 [REDACTED] 3 [REDACTED] 4 [REDACTED] 5 [REDACTED] 6 [REDACTED] 7 [REDACTED] 8 [REDACTED] 9 [REDACTED] 10 [REDACTED] 11 [REDACTED] 12 [REDACTED] 13 [REDACTED] 14 [REDACTED] 15 [REDACTED] 16 [REDACTED] 17 [REDACTED] 18 [REDACTED] 19 [REDACTED] 20 [REDACTED] 21 [REDACTED] 22 [REDACTED]</p>

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1 Andreas Badian: Yes, I do.  
2 Jacob Spinner: Whatever, whatever makes you  
3 happy, buddy.  
4 Andreas Badian: Exactly.  
5 Jacob Spinner: I know, you the boss.  
6 Andreas Badian: Thank you.  
7 Jacob Spinner: Bye.  
8 He's driving this damn thing. Where are we?  
9 We're not at a quarter, why aren't we buying some at  
10 Island? Is there any reason why we're not using Island?  
11 UM: [Unintelligible].  
12 Jacob Spinner: How many shares is he short? How  
13 many shares does he want to buy altogether?  
14 UM: [Unintelligible].

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13 [Phone Dialing]  
14 UF: You've reached the offices of Rhino  
15 Advisors, one moment please.  
16 Andreas Badian: Rhino?  
17 Jacob Spinner: Hey, it's Jay.  
18 Andreas Badian: Hey, Jay.  
19 Jacob Spinner: You're a -- you're driving this  
20 SDNA.  
21 Andreas Badian: Yes, sir.  
22 Jacob Spinner: You know that.

34 (Pages 130 to 133)

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<p>[REDACTED]</p>	<p>[REDACTED]</p>
<p>Page 135</p>	
<p>1 art: 3/26/2001 10:00:52 AM, Stop: 3/26/2001 10:08:27 AM, 2 Logger: 338601, Channel: 35, Session ID: 55532</p> <p>[REDACTED]</p>	<p>[REDACTED]</p>

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Page 142	Page 144
<p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 Jeffrey Graham: Bye.</p> <p>19 Moses Drillman: Danny, Jay, we must meet with</p> <p>20 Amro. We have to meet with Amro. They have to tell us</p> <p>21 what their agenda is on the stock. It can't be done like</p> <p>22 this. We can't drive the stock SDNA down to three-</p>	<p>1 Start: 3/26/2001 10:04:21 AM; Stop: 3/26/2001 10:24:29 AM,</p> <p>2 Logger: 338601, Channel: 34, Session ID: 55250</p> <p>3 Moses Drillman: We're not at a quarter, why are</p> <p>4 we buying from [Unintelligible]? Is there any reason why</p> <p>5 we're not using Island?</p> <p>6 Jeffrey Graham: There isn't, no. I don't</p> <p>7 understand this, though. Why is -- ?</p> <p>8 Moses Drillman: How many shares is he short?</p> <p>9 How many shares does he want to buy [unintelligible]?</p> <p>10 Jeffrey Graham: Why would he be driving the</p> <p>11 stock up?</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p>
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<p>1 quarters, and now he's trying to buy it back. I just need</p> <p>2 to know. We need to know what --</p> <p>3 [End of Audio]</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p>	<p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p>

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Page 146	Page 148
<p>1 [REDACTED] 2 [REDACTED] 3 [REDACTED] 4 [REDACTED] 5 [REDACTED] 6 [REDACTED] 7 [REDACTED] 8 [REDACTED] 9 [REDACTED] 10 [REDACTED] 11 [REDACTED] 12 [REDACTED] 13 [REDACTED] 14 [REDACTED] 15 [REDACTED] 16 [REDACTED] 17 [Phone Dialing] 18 UF: One moment, please. 19 Andreas Badian: Hello? 20 Jeffrey Graham: Hey, Andreas, I assume you're 21 watching the Sedona? 22 Andreas Badian: I am watching the Sedona.</p>	<p>1 three. 2 Jeffrey Graham: Okay. 3 Cody: All right, buddy? 4 Jeffrey Graham: Yep. 5 Cody: Thanks. 6 Jeffrey Graham: Thanks. 7 Ugh, this stuff just makes no sense to me. 8 UM: Danny [unintelligible], not getting the 9 deal. 10 Jeffrey Graham: Yeah, but why would he want to 11 drive it up? 12 Jacob Spinner: [Unintelligible]. 13 Jeffrey Graham: He's driving it up, he said, "I 14 want to see it at one and a quarter --" 15 Jacob Spinner: [Unintelligible]. Why the hell 16 not? I don't care about [unintelligible] nothing wrong 17 with it. I have more of an issue when I've got a whole 18 [unintelligible] for six months -- 19 Jeffrey Graham: I don't know, I just think the 20 way, he doesn't say, you know -- 21 Jacob Spinner: Who cares? 22 Jeffrey Graham: -- buy 20,000 --</p>
Page 147	Page 149
<p>1 Basically, take the rest of your order, and put it on the 2 bid here, okay? 3 Jeffrey Graham: Okay. 4 Andreas Badian: Thank you, sir. 5 Jeffrey Graham: Okay. 6 This makes absolutely no sense, though. Who 7 cares? I think it's -- 8 Hello. 9 Jeffrey Graham: Frank? It's Danny. 10 UM: Hey, oh, Danny. 11 Jeffrey Graham: On Sedona? 12 UM: SDNA. 13 Jeffrey Graham: Yeah, can you use a three- 14 eighths top? 15 UM: Three-eighths top, you got it. 16 Jeffrey Graham: Thanks. 17 Hello? 18 Cody: Hey, Danny, it's Cody. 19 Jeffrey Graham: Yeah. 20 Cody: Hey, buddy. Uh, Sedona? 21 Jeffrey Graham: Yep. 22 Cody: It's got thirty thou to go at one twenty-</p>	<p>1 Jacob Spinner: Fine, drive it. You know what? 2 Drive it [unintelligible] does the same thing, you know -- 3 Jeffrey Graham: No, if he says, I don't know -- 4 or when I said it before, it seemed like it wasn't, you 5 know, when he says certain things. Say, if he says, five, 6 fifty thousand, one and a half -- 7 Jacob Spinner: [Unintelligible] how much is he 8 working? 9 Jeffrey Graham: I think 20,000 here, and they 10 just gave me 30,000. 11 Jacob Spinner: Who gave you thirty? 12 Jeffrey Graham: That's another thing, we're 13 selling for North River? 14 Russia? 15 UM: Hi, Danny? 16 Jeffrey Graham: Yeah. Hold on. 17 Elle is on three. 18 Jacob Spinner: Who is it? 19 Jeffrey Graham: Elle on three. 20 Are you selling or buying for North River? 21 What's the symbol? And they're working it here, right? 22 Jacob Spinner: Yeah.</p>

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Page 147	Page 149

38 (Pages 146 to 149)

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Page 150	Page 152
<p>1 Jeffrey Graham: Okay.  2 Hello?  3 UM: Selling short 2,000 CN at 58 and seven  4 teenies, and SDNA, we're up to 17,900.  5 Jeffrey Graham: Okay, great, thanks.  6 Fifty-eight and seven teenies, we sold short  7 2,000.  8 Hasn't traded.  9 Matt, my only question was, I just didn't  10 understand why, you know, he knows when he's going to give  11 me his top light, and have me start buying it right in the  12 morning when it wasn't -- it was at seven-eighths. That  13 doesn't make sense to me.  14 Hello?  15 Jeffrey Graham: Hey, it's Danny, what's up? You  16 guys are ringing.  17 Matt, pick up Danny. Nothing?  18 Moses Drillman: Yeah, Danny.  19 UM: You guys are ringing.  20 Moses Drillman: No, I'm sorry, that's  21 [unintelligible].  22 Jeffrey Graham: Hello?</p>	<p>1 Frank: Hi, SDNA you're filled, let me give you  2 an average --  3 Jeffrey Graham: Twenty, right?  4 Frank: Twenty thousand -- 20,000 you bought,  5 your average is one spot three zero.  6 Jeffrey Graham: One spot three zero?  7 Frank: Yeah.  8 Jeffrey Graham: Okay.  9 Frank: Okay?  10 Jeffrey Graham: And I also have 30,000 coming  11 over from Frankel. On the buy.  12 Frank: Uh huh.  13 Jeffrey Graham: At one spot two three.  14 Frank: One spot two three. Are we in  15 competition up there?  16 Jeffrey Graham: Huh?  17 Frank: They're both buying at the same time?  18 Jeffrey Graham: Yeah, I don't --  19 Frank: That's probably not bright.  20 Jeffrey Graham: No, it doesn't make sense to me,  21 so --  22 Frank: [Unintelligible].</p>
Page 151	Page 153
<p>1 UF: Hi.  2 Jeffrey Graham: What's up?  3 UF: Do me 1200 at 560 to anybody for Farkas.  4 Jeffrey Graham: Twelve hundred MGCG for sale at  5 560?  6 UF: Anybody for --  7 Jeffrey Graham: For Farkas, okay.  8 UF: Thanks.  9 Jeffrey Graham: Bye.  10 [Phone Dialing]  11 Cliff: Trading.  12 Jeffrey Graham: Cliff?  13 Cliff: Yes?  14 Jeffrey Graham: Would you sell twelve hundred  15 MGCG at 560 to anyone?  16 Cliff: Five sixty?  17 Jeffrey Graham: Mm hm.  18 Cliff: How many, 1,200?  19 Jeffrey Graham: Mm hm.  20 Cliff: You got it, buddy.  21 Jeffrey Graham: Thanks.  22 Hello?</p>	<p>1 Jeffrey Graham: Oh, well.  2 Frank: Bye.  3 Jeffrey Graham: Thanks.  4 Hello?  5 UM: Hey, Danny.  6 Jeffrey Graham: What's up?  7 UM: MGCG we sold 1,200 at 560.  8 Jeffrey Graham: Okay, come over at that price.  9 UM: You got it.  10 Jeffrey Graham: Thanks.  11 UM: Bye bye.  12 [Phone Dialing]  13 Jeffrey Graham: Sedona, we're done.  14 UF: You've reached the offices of Rhino --  15 [Phone Dialing]  16 Jeffrey Graham: Now it's right back down.  17 Andreas Badian: Rhino.  18 Jeffrey Graham: Andreas?  19 Andreas Badian: Yes, sir.  20 Jeffrey Graham: On Sedona, we did 20 here, and  21 Frankel called me with 30,000.  22 Andreas Badian: Exactly. And now we can</p>

39 (Pages 150 to 153)

Audio Transcription

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Page 150	Page 152
<p>1 Jeffrey Graham: Okay.  2 Hello?  3 UM: Selling short 2,000 CN at 58 and seven  4 teenies, and SDNA, we're up to 17,900.  5 Jeffrey Graham: Okay, great, thanks.  6 Fifty-eight and seven teenies, we sold short  7 2,000.  8 Hasn't traded.  9 Matt, my only question was, I just didn't  10 understand why, you know, he knows when he's going to give  11 me his top light, and have me start buying it right in the  12 morning when it wasn't -- it was at seven-eighths. That  13 doesn't make sense to me.  14 Hello?  15 Jeffrey Graham: Hey, it's Danny, what's up? You  16 guys are ringing.  17 Matt, pick up Danny. Nothing?  18 Moses Drillman: Yeah, Danny.  19 UM: You guys are ringing.  20 Moses Drillman: No, I'm sorry, that's  21 [unintelligible].  22 Jeffrey Graham: Hello?</p>	<p>1 Frank: Hi, SDNA you're filled, let me give you  2 an average --  3 Jeffrey Graham: Twenty, right?  4 Frank: Twenty thousand -- 20,000 you bought,  5 your average is one spot three zero.  6 Jeffrey Graham: One spot three zero?  7 Frank: Yeah.  8 Jeffrey Graham: Okay.  9 Frank: Okay?  10 Jeffrey Graham: And I also have 30,000 coming  11 over from Frankel. On the buy.  12 Frank: Uh huh.  13 Jeffrey Graham: At one spot two three.  14 Frank: One spot two three. Are we in  15 competition up there?  16 Jeffrey Graham: Huh?  17 Frank: They're both buying at the same time?  18 Jeffrey Graham: Yeah, I don't --  19 Frank: That's probably not bright.  20 Jeffrey Graham: No, it doesn't make sense to me,  21 so --  22 Frank: [Unintelligible].</p>
Page 151	Page 153
<p>1 UF: Hi.  2 Jeffrey Graham: What's up?  3 UF: Do me 1200 at 560 to anybody for Farkas.  4 Jeffrey Graham: Twelve hundred MGCG for sale at  5 560?  6 UF: Anybody for --  7 Jeffrey Graham: For Farkas, okay.  8 UF: Thanks.  9 Jeffrey Graham: Bye.  10 [Phone Dialing]  11 Cliff: Trading.  12 Jeffrey Graham: Cliff?  13 Cliff: Yes?  14 Jeffrey Graham: Would you sell twelve hundred  15 MGCG at 560 to anyone?  16 Cliff: Five sixty?  17 Jeffrey Graham: Mm hm.  18 Cliff: How many, 1,200?  19 Jeffrey Graham: Mm hm.  20 Cliff: You got it, buddy.  21 Jeffrey Graham: Thanks.  22 Hello?</p>	<p>1 Jeffrey Graham: Oh, well.  2 Frank: Bye.  3 Jeffrey Graham: Thanks.  4 Hello?  5 UM: Hey, Danny.  6 Jeffrey Graham: What's up?  7 UM: MGCG we sold 1,200 at 560.  8 Jeffrey Graham: Okay, come over at that price.  9 UM: You got it.  10 Jeffrey Graham: Thanks.  11 UM: Bye bye.  12 [REDACTED]  13 [REDACTED]  14 [REDACTED]  15 [REDACTED]  16 [REDACTED]  17 [REDACTED]  18 [REDACTED]  19 [REDACTED]  20 [REDACTED]  21 [REDACTED]  22 [REDACTED]</p>

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<p>1 flipside again, and very lightly start selling.</p> <p>2 Jeffrey Graham: Okay. At what price?</p> <p>3 Andreas Badian: I don't know, where is it?</p> <p>4 Jeffrey Graham: One and five teenies.</p> <p>5 Andreas Badian: That's good, isn't it?</p> <p>6 Jeffrey Graham: I don't know, you tell me.</p> <p>7 Andreas Badian: Well worth the money.</p> <p>8 Yep, basically just get on the offer and be light</p> <p>9 here, okay?</p> <p>10 Jeffrey Graham: Okay.</p> <p>11 Andreas Badian: Thank you.</p> <p>12 Jeffrey Graham: Bye.</p> <p>13 Makes absolutely no sense.</p> <p>14 Matt, now he said, "Okay." So, he bought 50, he</p> <p>15 goes, "All right, now let's sell it." I don't understand</p> <p>16 what's -- I don't think I'm dumb, but I don't understand</p> <p>17 what he's doing.</p> <p>18 Moses Drillman: Now he says sell?</p> <p>19 Jeffrey Graham: Yeah.</p> <p>20 Moses Drillman: He's buying [unintelligible].</p> <p>21 Jeffrey Graham: But I don't -- it doesn't make</p> <p>22 sense to me.</p>	<p>1 I [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p>
Page 155	Page 157
<p>1 Moses Drillman: Buy, Danny, [unintelligible].</p> <p>2 Jeffrey Graham: Makes no sense.</p> <p>3 This is Danny.</p> <p>4 Andreas Badian: Get in line and do what you can</p> <p>5 at the one and one-eighth low, okay? On the Sedona.</p> <p>6 Jeffrey Graham: For how many shares?</p> <p>7 Andreas Badian: Like I said, do what you can.</p> <p>8 But don't crush it. I keep -- sorry, keep in line with,</p> <p>9 you know, them. Hit the bids lightly, if they hit it,</p> <p>10 dada, dada da.</p> <p>11 Jeffrey Graham: Okay.</p> <p>12 Andreas Badian: Okay, thanks.</p> <p>13 Jeffrey Graham: Yep, bye.</p> <p>14 He said use a quarter low. Or, an eighth low.</p> <p>15 Fucking makes no sense.</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	<p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p>

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<p>1 Start: 3/26/2001 10:08:50 AM, Stop: 3/26/2001 10:12:25 AM,  2 Logger: 338601, Channel: 35, Session ID: 55533  3 [REDACTED]  4 [REDACTED]  5 [REDACTED]  6 [REDACTED]  7 [REDACTED]  8 Cody: Hey, Danny, it's Cody.  9 Jeffrey Graham: Yeah.  10 Cody: Hey, buddy, Sedona --  11 Jeffrey Graham: Yeah.  12 Cody: Got thirty thou to go at one twenty-three.  13 Moses Drillman: Danny, it could be for many  14 reasons, it could be that he sees it -- he's not getting  15 the deal.  16 Jacob Spinner: No, no, no, no, it has nothing to  17 do with that. There's some reason --  18 For 100,000 shares, whatever his deal is with the  19 company, you know? Who the hell knows? He's the one  20 negotiating with the company.  21 Moses Drillman: I don't care about these type of  22 things, Dan, when he sells and buys back.</p>	<p>1 UM: Okay.  2 Moses Drillman: Thanks.  3 BJ: Barbara [unintelligible].  4 Moses Drillman: Yes, Barbara?  5 BJ: Hi, how you doing?  6 Moses Drillman: Hi.  7 BJ: I got the stock certificates.  8 Moses Drillman: Wonderful.  9 BJ: Send it to you?  10 Moses Drillman: Please.  11 BJ: Okay.  12 Moses Drillman: Thank you.  13 BJ: Bye.  14 Moses Drillman: Hello.  15 UM: I've got a long, here.  16 Moses Drillman: You've got a long?  17 UM: [Unintelligible] long Juniper.  18 Moses Drillman: Okay, tell me why.  19 UM: It looks like, I'm going to [unintelligible]  20 we're going to bust through 41 again.  21 Moses Drillman: I'm waiting, I'm sorry. I don't  22 feel comfortable with it, yet.</p>
Page 159	Page 161
<p>1 Jacob Spinner: That's irrelevant.  2 Moses Drillman: That, I don't care about.  3 Jacob Spinner: I don't have an issue, when I  4 have to hold stock for six months, you know, short and --  5 Jeffrey Graham: -- buy 20,000 --  6 Jacob Spinner: Fine, drive it. You know what?  7 Drive it to liquidity, Paula said the same thing, you know,  8 of NASDAQ --  9 Moses Drillman: It's not a problem.  10 Jeffrey Graham: Say, he [unintelligible] 50,000  11 --  12 Jacob Spinner: Go over to Frankel, to buy, fifty  13 from Frankel.  14 Moses Drillman: How much have you bought, Dan?  15 Jeffrey Graham: Thirty.  16 Moses Drillman: Frankel -- six tenths.  17 Jeffrey Graham: But even off Frankel.  18 Moses Drillman: Not usually, but we will here.  19 [Phone Dialing]  20 UM: Fresca?  21 Moses Drillman: Hi, sell short 2,000 Sienna at  22 market, please?</p>	<p>1 UM: Okay. In other words, you don't like it?  2 Moses Drillman: You could be right --  3 UM: Matty, if you don't like Andreas looking,  4 I'm just looking at the trading patterns, and I'm looking  5 at every time we go below, that the bid size comes up.  6 Moses Drillman: Okay.  7 UM: But, if you don't like it, you don't like  8 it.  9 Moses Drillman: I'm going to wait right now.  10 UM: Fine.  11 Moses Drillman: Thanks.  12 UM: Bye.  13 Moses Drillman: Danny, stamp the sell ticket.  14 UM: Selling short, 2,000 Sienna 58 and seven  15 teenies, and SDNA we're up to 17,900.  16 Moses Drillman: Okay, great, thanks.  17 Thank you.  18 [REDACTED]  19 [REDACTED]  20 [REDACTED]  21 [REDACTED]  22 [REDACTED]</p>

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<p>[REDACTED]</p>	<p>[REDACTED]</p>
<p>[REDACTED]</p>	<p>Page 237 1 Start: 3/26/2001 12:55:28 AM, Stop: 3/26/2001 1:37:27 AM, 2 Logger: 338601, Channel: 34, Session ID: 55756 [REDACTED]</p>

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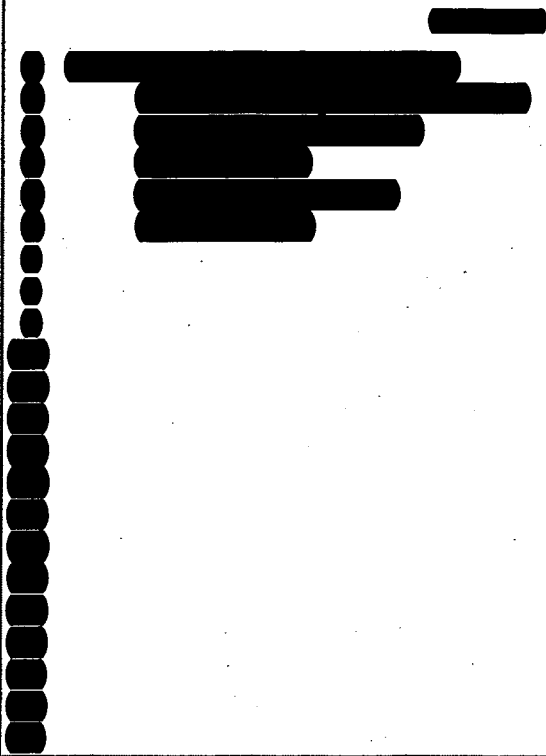




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	<p style="text-align: right;">Page 284</p> <p>1 short.</p> <p>2 Andreas Badian: Yep.</p> <p>3 Moses Drillman: So, you know, it just makes</p> <p>4 things a lot better, when having to speak -- when people</p> <p>5 get a call, when we get a call that we can answer it in a</p> <p>6 prompt way.</p> <p>7 Andreas Badian: Right. I mean, at the most</p> <p>8 informal level, it's a conversion, we're just holding off</p> <p>9 on the conversation a little bit.</p> <p>10 Moses Drillman: Okay. That's -- I just need to</p> <p>11 know as to when that -- what, when that --</p> <p>12 Andreas Badian: And it's estimated within the</p> <p>13 next two weeks.</p> <p>14 Moses Drillman: Okay, is there any particular</p> <p>15 perspect -- so there hasn't been a registration done on it,</p> <p>16 yet?</p> <p>17 Andreas Badian: Yeah, yeah, it's registered.</p> <p>18 Moses Drillman: Oh, it is registered?</p> <p>19 Andreas Badian: Yeah.</p> <p>20 Moses Drillman: Can you give me the registration</p> <p>21 statement? Which one -- which one it was, when was the</p> <p>22 filing?</p>
<p style="text-align: right;">Page 283</p> <p>1 Start: 3/26/2001 2:05:596 PM, Stop: 3/26/2001 2:07:25 PM,</p> <p>2 Logger: 338601, Channel: 35, Session ID: 55876</p> <p>3 Moses Drillman: Hello?</p> <p>4 Andreas Badian: Hey, it's Andreas.</p> <p>5 Moses Drillman: Hey, Andreas.</p> <p>6 Andreas Badian: So, what's going on with this</p> <p>7 AFFI?</p> <p>8 Moses Drillman: We had an inquiry from the NSCC,</p> <p>9 this is not the SEC -- it's NSCC --</p> <p>10 Andreas Badian: Uh huh?</p> <p>11 Moses Drillman: As to the -- the size of the</p> <p>12 short that we've been keeping, and the duration of it.</p> <p>13 Andreas Badian: Right.</p> <p>14 Moses Drillman: And so, the President of Revco</p> <p>15 got a little rattled by it, and so we want to try to just</p> <p>16 explain to him --</p> <p>17 Andreas Badian: It's a lot of shares, but it's</p> <p>18 not a lot of money.</p> <p>19 Moses Drillman: No, no, no -- the issue is not</p> <p>20 the money. The issue is, is that he's gotten the -- he got</p> <p>21 a call from the NSCC yesterday, short. So, we like to try</p> <p>22 to rationalize, and explain to him, as to why we have this</p>	<p style="text-align: right;">Page 285</p> <p>1 Andreas Badian: That's a good question. You</p> <p>2 know what? I'll try to find out for you.</p> <p>3 Moses Drillman: That's all I would need.</p> <p>4 Andreas Badian: All right, great.</p> <p>5 Moses Drillman: Okay?</p> <p>6 Andreas Badian: Bye.</p> <p>7 Moses Drillman: Thanks.</p> <p>8 [End of Audio]</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p>

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